

**REMARKS**

Claims 1-28 are pending in the application. Claims 1-27 were rejected under 35 U.S.C. § 103 (a).

**Rejection Under 35 U.S.C. § 103 (a)**

**Rejection Under Karaoguz and Epstein**

Claims 1-6, 8-18 and 20-27 were rejected under 35 U.S.C. § 103 (a) as being unpatentable over U. S. Patent Application Number 2004/0059914 issued to Karaoguz dated March 25, 2004 in view of U. S. Patent Number 5,517,567 issued to Epstein on May 14, 1996.

Applicants have avoided this ground of rejection for the following reasons.

First, applicants' claim 1, as amended, now recites,

"wherein one or more private keys employable for encryption and/or decryption of information are erased via an automatic cutoff of power initiated internal to the authentication device upon an attempt to move the authentication device."

The above amendment is based on page 12, lines 1-14 of applicants' specification that discloses power distribution component 604, which is internal to the authentication device. See applicants' FIG. 6.

As stated in the Office Action, the Examiner agrees that Karaoguz does not teach or suggest "one or more private keys employable for encryption and/or decryption of information are erased via an automatic cutoff of power".

Applicants agree that Epstein discloses that any attempts to remove the remote unit from its installed location will cutoff the external power supply and will result in the immediate loss of all memory including SN1 and SN2. See column 6, lines 65 to column 7, line 1. By contrast, applicants' claim 1 requires that the private keys are erased by an automatic cutoff of power initiated internal to the authentication device upon an attempt to move the authentication device. In other words, a component internal to the authentication device causes the cutoff of power rather than the cutoff of power being caused by an external power source. Thus, Epstein, similar to Karaoguz, is missing "wherein one or more private keys employable for encryption and/or

decryption of information are erased via an automatic cutoff of power initiated internal to the authentication device upon an attempt to move the authentication device" elements, as recited in applicants' claim 1.

Therefore the proposed combination of Karaoguz and Epstein does not teach or suggest all of the limitations in applicants' claim 1, and therefore claim 1 is allowable over the proposed combination. Since claims 2-13 and 23-27 depend from allowable claim 1, these claims are also allowable over the proposed combination.

Independent claims 14 and 22 each have a limitation similar to that of independent claim 1, which was shown is not taught by the proposed combination of Karaoguz and Epstein. For example, claims 14 and 22 recite, "wherein one or more private keys employable for encryption and/or decryption of information are erased via an automatic cutoff of power initiated internal to the authentication device upon an attempt to move the authentication device". The proposed combination of Karaoguz and Epstein does not teach or suggest this limitation for the above-mentioned reasons. Therefore, claims 14 and 22 are likewise allowable over the proposed combination. Since claims 15-21 depend from claim 14, these dependent claims are also allowable over the proposed combination.

#### Rejection Under Karaoguz, Epstein and Kobayshi

Claims 7 and 19 were rejected under 35 U.S.C. § 103 (a) as being unpatentable over Karaoguz in view of Epstein and further in view of JP 2003323599 issued to Kobayshi.

Applicants respectfully traverse this ground of rejection for the following reasons.

This rejection is based on the rejection under Karaoguz and Epstein being proper. As that ground of rejection has been overcome, and none of the cited references teach or suggest "wherein one or more private keys employable for encryption and/or decryption of information are erased via an automatic cutoff of power initiated internal to the authentication device upon an attempt to move the authentication device" as recited in applicants' independent claims 1, 14 and 22, the proposed combination of Karaoguz, Epstein and Kobayshi does not supply this missing element.

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Thus, this combination does not make obvious any of applicants' claims, all of which require the aforesaid limitation.

New Claim

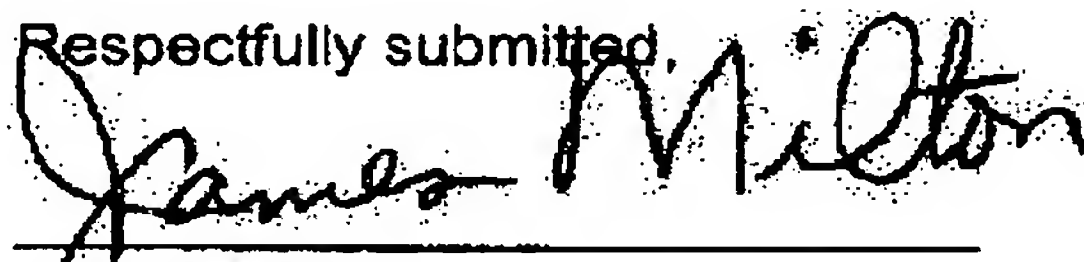
New claim 28 has been added. Claim 28 provides a limitation directed to the authentication device. No new matter has been added.

Conclusion

It is respectfully submitted that the Office Action's rejections have been overcome and that this application is now in condition for allowance. Reconsideration and allowance are, therefore, respectfully solicited.

In view of the above amendments and remarks, allowance of all claims pending is respectfully requested. If a telephone conference would be of assistance in advancing the prosecution of this application, the Examiner is invited to call applicants' attorney.

Respectfully submitted,



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